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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91221822
Party	Plaintiff Seven S.p.A
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

_____)	
Seven S.p.A.)	
)	
Opposer/Respondent)	
)	
v.)	Opposition No. 91221822
)	
Seven For All Mankind, LLC)	
)	
Applicant/Petitioner)	
_____)	

OPPOSITION TO MOTION TO STRIKE

Opposer/Respondent, Seven S.p.A. (“Seven”), hereby opposes the Motion to Strike filed by Applicant/Petitioner, Seven For All Mankind, LLC (“SFAM”), as follows.

Motions to strike are generally not favored by the Board and, unless it is clear that the matter sought to be stricken by the motion is immaterial, and can have no bearing on the issues in the case, the motion should be denied. *Leon Shaffer Golnick Advertising, Inc. v. William G. Pendill Marketing Company, Inc.*, 177 USPQ 401, 402 (TTAB 1973); *see also, Salcer v. Envicon Equities Corp.*, 744 F.2d 935, 939 (2d Cir.1984), *vacated on other grounds*, 478 U.S. 1015 (1986) (“A motion to strike an affirmative defense ... for legal insufficiency is not favored and will not be granted unless it appears to a certainty that [the moving party] would succeed despite any state of the facts which could be proved in support of the defense.”) (citation and quotation marks omitted); *Burck v. Mars, Inc.*, 571 F.Supp.2d 446, 456, 88 USPQ2d 1942, 1949 (S.D. N.Y. 2008); 5 C. Wright and A. Miller, *Federal Practice and Procedure* §1380 (3d ed. 2015). The moving party has the burden of demonstrating to the Court “to a certainty that [the moving

party] would succeed despite any set of facts which could be proved in support of the defense.”
Walsh v. City of New York, 585 F.Supp.2d 555, 557 (S.D.N.Y.2008).

1. Equitable Defenses

SFAM’s Motion to Strike requests the Board to strike Seven’s affirmative defenses of laches, estoppel, and acquiescence. The Trademark Trial and Appeal Board Manual of Procedure (TBMP) states that:

Equitable defenses **may not** be available against certain grounds for opposition or cancellation or under certain circumstances. For example, the availability of laches and acquiescence is severely limited in opposition and cancellation proceedings. ... In Board cancellation proceedings, these defenses start to run from the date of registration [**1992** in this case], in the absence of actual knowledge before the close of the opposition period. ... Moreover, for public policy reasons, the defenses of laches and acquiescence **may not** be available against claims such as genericness, descriptiveness, fraud, abandonment and functionality....

TBMP § 311.02(b) (emphasis and information added).

For at least the following reasons, Seven believes that it was important to assert the equitable defenses of laches, acquiescence, and estoppel and that they should not be stricken at this early stage of the proceedings.

First, the TBMP uses the phrase “may not be available” instead of the phrase “shall not be available.”

Second, this section of the Manual does not mention the equitable defense of “estoppel.”

Third, there is no statute or regulation that precludes the assertion of laches, acquiescence, or estoppel in cases like the subject case.

Fourth, there is no cited case that precludes the assertion of laches, acquiescence, or estoppel in cases with facts like the subject case.

Fifth, this case is believed to involve facts and information that support the assertion of laches, acquiescence, and estoppel. For example,

- The subject registration (U.S. Trademark Registration No. 1708062) issued in 1992 – twenty-three years ago.
- SFAM did not assert any Counterclaims with its Answer filed on June 15, 2015.
- SFAM filed its Amended Answer with Counterclaims on July 9, 2015. Prior to this date, no one tried to cancel the subject registration.
- Seven and SFAM have known about each other’s businesses and trademarks for over ten years, and SFAM has never previously tried to cancel Seven’s Registration No. 1,708,062. Declaration of Duane M. Byers filed October 5, 2015 (“Byers Dec”), at ¶ 4.
- SFAM visited Seven in 2004 when SFAM was considering the purchase of some of Seven’s rights covered by the registration. At that time, SFAM never questioned or attacked the registration. Byers Dec at ¶ 5.
- It is believed that SFAM again reviewed the registration in at least 2007 and did not try to cancel the registration. Byers Dec at ¶ 6.
- Seven and SFAM have been involved in various litigious matters over the years, yet SFAM has never tried to cancel Seven’s Registration No. 1,708,062 prior to July 9, 2015. Byers Dec at ¶ 7.
- In recent years, Seven has prevailed over SFAM in European proceedings involving Seven’s registrations for trademarks containing the SEVEN term, including a monetary judgment that has not yet been paid by SFAM. SFAM has tried to cancel some of Seven’s European (CTM) registrations, but SFAM has not successfully

cancelled any of Seven's European (CTM) registrations. In pending cancellation actions where SFAM asserted non-use of Seven's trademarks, Seven filed evidence of use, SFAM did not file observations, and, consequently, the parties are now simply waiting for OHIM's decision. Byers Dec at ¶ 8.

For at least the foregoing reasons, Seven felt compelled to present its affirmative defenses of laches, acquiescence, and estoppel because the TBMP states that laches and acquiescence "may not be available" instead of "shall not be available," the TBMP does not say that estoppel may not be available or that estoppel shall not be available, there is no US statute or regulation that precludes these defenses, and there is no cited case that involves facts like the subject case. Instead, there is some case law that, upon different facts, addresses the equitable issues in those cases and public policy. Seven agrees that registrations that were obtained by fraud or that have been abandoned should be cancelled. As will become evident after discovery and at the trial of this matter, Seven has not abandoned its registration, and Seven did not obtain or maintain the registration by fraud. Seven believes that SFAM may know this and that SFAM may have relevant information. Seven does not want to be precluded from taking discovery of SFAM on these points because SFAM's documents and employees/agents may have relevant information dating back over the past twenty years that is helpful to the Board and to Seven.

At this early stage of the proceeding, Seven requests that the equitable defenses be maintained. If appropriate, the Board can later strike or determine that the defenses do not apply. There is no prejudice to the parties or the public with this timing. In fact, there would be prejudice to Seven if the Board precluded Seven from taking discovery of SFAM on the issues of abandonment and fraud, including SFAM's knowledge, information, and actions concerning Seven's twenty-three year old registration.

2. Upon Information and Belief Denials and Other Denials

SFAM's Motion to Strike questions Seven's "upon information and belief" denials and other denials and tries to turn them into admissions.

Rule 8 of the Federal Rules of Civil Procedure provides the general rules for pleadings.

As many courts have stated in one way or another over the years,

In a pleading by a corporation the averments are seldom such as may be directly within the absolute knowledge of the person filing the pleading. Pleadings by a corporation on information and belief have been approved.

General Motors Corp. v. California Research Corp., 8 F.R.D. 568, 570 (D. Del.1948).

Denials by corporate defendants are among the most typical pleadings made upon information and belief. 5 C. Wright & A. Miller, Federal Practice and Procedure §1263 Denials Upon Information and Belief (3d ed. 2015) (emphasis added). For example, one federal court has observed:

The defendants are corporations and, therefore, were obliged to answer by an officer, and he of necessity, unless he had personal knowledge, which is rarely the case, was obliged to depend upon information he had received from subordinates, and it does not follow that any officer of a corporation would have personal knowledge and, therefore, any pleading by a corporation, which cannot verify it, must of necessity, be done by an officer, and is properly done by him upon information and belief.

National Millwork Corp. v. Preferred Mut. Fire Ins. Co., 28 F.Supp. 952 (E.D. N.Y. 1939).

Furthermore, if the acts that are alleged on information and belief are such as were on behalf of a party by an agent (an attorney), then the party has no personal knowledge and is within his rights in pleading matters upon information and belief. *Id.* at 953 (citing *Hyland v. Montgomery*, 88 Misc. 295, 150 N.Y.S. 613, 614 (N.Y. Misc. 1914)).

In the counterclaims, SFAM has questioned the actions, intents, and honesty of Seven's

employees, executives, and agents/attorneys who filed or were involved with filing papers at the USPTO in 1998, 2002, and 2012. These are very serious assertions that span about two decades. Seven's "upon information and belief" denials and other denials of SFAM's abandonment assertions and fraud assertions are appropriate given the elements of proof and Seven's reading of SFAM's assertions.

Proof of abandonment requires non-use of the trademark for a period of time and an intent not to resume use. 15 U.S.C. § 1127. *See also, Crash Dummy Movie, LLC v. Mattel, Inc.*, 601 F.3d 1387, 1391-92, 94 USPQ2d 1315, 1316-17 (Fed. Cir. 2010) (affirming Board's finding of intent to resume use of the marks at issue).

Proof of fraud sufficient to cancel a registration requires more than simple or even gross negligence, *i.e.*, it requires proof of a knowing misrepresentation to the USPTO of a material fact, with intent to and the effect of deceiving the USPTO into granting a registration that should not have otherwise issued or maintaining a registration that should not have otherwise been maintained. *In re Bose Corp.*, 580 F.3d 1240, 1244-46, 91 USPQ2d 1938, 1940-42 (Fed Cir. 2009).

SFAM's abandonment assertions and fraud assertions involve the actions and the "intent" of various executives, employees, and attorneys involved in 1998, 2002, and 2012. In the responses that SFAM now questions, Seven's "upon information and belief" denials and other denials are based on Seven's investigation in **forty-one days** (from the date of SFAM's Counterclaims asserted on July 9, 2015 to Seven's Answer on August 19, 2015). Seven's **forty-one days** investigation tried to cover, in the best fashion possible, a period of about **twenty years** of various people's actions and intents.

Seven sincerely hopes that the Board can appreciate that Seven quickly investigated and

reasonably answered, upon information and belief and otherwise, the abandonment and fraud assertions that SFAM had never previously asserted against Seven. SFAM chose to draft its abandonment and fraud assertions in its own style, and Seven answered those assertions based on Seven's reading of each assertion and based on Seven's information and beliefs concerning the actions and the "intents" of various people in 1998, 2002, and 2012.

Based on the parties' pleadings, the parties should proceed with discovery in an effort to prove their respective cases and to evaluate the other party's assertions.

For at least the foregoing reasons, Seven requests that the Board deny SFAM's Motion to Strike.

Date: October 5, 2015

Respectfully submitted,

/Duane M. Byers/

Duane M. Byers

Sheri L. Gordon

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Seven S.p.A.

CERTIFICATE OF SERVICE

It is hereby certified that a true copy of the foregoing was served on applicant/petitioner by email, as agreed by the parties, on this date, addressed to applicant/petitioner's counsel of record at:

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/Duane M. Byers/

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)	
Seven For All Mankind, LLC)	
)	
Applicant/Petitioner)	
)	

**DECLARATION OF DUANE M. BYERS
IN SUPPORT OF
SEVEN’S OPPOSITION TO MOTION TO STRIKE**

I, Duane M. Byers, hereby declare and state:

1. I am employed as an attorney by NIXON & VANDERHYE P.C. I am a shareholder of NIXON & VANDERHYE P.C. I have been practicing trademark law since 1986. I am representing Opposer/Respondent, Seven S.p.A. (“Seven”), in this proceeding and have been working with Seven and its representatives on this matter. I am submitting this declaration in support of Seven’s opposition to the Motion to Strike filed by Applicant/Petitioner, Seven For All Mankind, LLC (“SFAM”), on September 14, 2015.
2. U.S. Trademark Registration No. 1708062 issued in 1992.
3. Prior to July 9, 2015, no one tried to cancel U.S. Trademark Registration No. 1708062.

4. Seven and SFAM have known about each other's businesses and trademarks for over ten years, and SFAM has never previously tried to cancel Seven's Registration No. 1,708,062.
5. SFAM visited Seven in 2004 when SFAM was considering the purchase of some of Seven's rights covered by Seven's Registration No. 1,708,062. At that time, SFAM never questioned or attacked the registration.
6. It is believed that SFAM again reviewed Seven's Registration No. 1,708,062 in at least 2007 and did not try to cancel the registration.
7. Seven and SFAM have been involved in various litigious matters over the years, yet SFAM has never tried to cancel Seven's Registration No. 1,708,062 prior to July 9, 2015.
8. In recent years, Seven has prevailed over SFAM in European proceedings involving Seven's registrations for trademarks containing the SEVEN term, including a monetary judgment that has not yet been paid by SFAM. SFAM has tried to cancel some of Seven's European (CTM) registrations, but SFAM has not successfully cancelled any of Seven's European (CTM) registrations. In pending cancellation actions where SFAM asserted non-use of Seven's trademarks, Seven filed evidence of use, SFAM did not file observations, and, consequently, the parties are now waiting for OHIM's decision.

I hereby declare, under penalty of perjury, that the foregoing statements are true and correct to the best of my knowledge and belief.

Dated: October 5, 2015

By: /Duane M. Byers/
Duane M. Byers